

By: Coleman

H.B. No. 3402

A BILL TO BE ENTITLED

AN ACT

relating to the ad valorem tax appraisal of qualified timber land.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 23.71, Tax Code, is amended to read as follows:

(2) "Net to land" means the average net income that would have been earned by a category of land over the preceding five years by a person using ordinary prudence in the management of the land and the timber produced on the land. The net income for each year is determined by multiplying the land's potential average annual growth, expressed in cords or board feet of wood, by the average stumpage value, taking into consideration the three general types of timber as produced on the four different soil types, as determined by using information from the U.S. Forest Service, U.S. Geological Survey, the Soil Conservation Service, the Texas Forest Service, and colleges and universities within this state, and, in addition, any income received from hunting or recreational leases, and by subtracting from the product reasonable management costs and other reasonable expenses directly attributable to the production of the timber.

SECTION 2. (a) This act takes effect January 1, 2004.

(b) The change in law made by this Act applies only to the appraisal of qualified timber land for ad valorem tax purposes for a tax year that begins on or after the effective date of this Act. The

1 appraisal of qualified timber land for ad valorem tax purposes for a  
2 tax year that began before the effective date of this Act is  
3 governed by the law in effect when the appraisal of the land was  
4 made, and the former law is continued in effect for that purpose.